

## Message Text

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62  
ACTION OPIC-12

INFO OCT-01 EA-11 ISO-00 EB-11 COME-00 AID-20 TRSE-00

OMB-01 /056 W  
----- 010246

R 290713Z MAR 74  
FM AMEMBASSY SAIGON  
TO SECSTATE WASHDC 3127

UNCLAS SAIGON 4051

E.O. 11652: N/A  
TAGS: EFIN, VS  
SUBJECT: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)

PASS OPIC

REFS: (A) STATE A-1362 (B) SAIGON 7872, 5-5-73

1. PROFIT REMITTANCE BY FOREIGN FIRMS IN VIETNAM HAS BEEN SIGNIFICANTLY FACILITATED BY NATIONAL BANK OF VIETNAM (NBVN) CIRCULAR 219 DATED 16 JUNE 1973. THIS CIRCULAR REMOVED THE REQUIREMENT FOR THE SECURING OF A CERTIFICAT DE NON-DEBT FROM DIRECT-ORATE GENERAL OF TAXATION (DGT) PRIOR TO REMITTANCE. AT PRESENT, AN EASILY OBTAINABLE TAX RECEIPT IS ALL THAT IS REQUIRED FROM THE DGT PRIOR TO REMITTANCE. PERHAPS MORE SIGNIFICANTLY, CIRCULAR 219 DIRECTS THE FOREIGN EXCHANGE OFFICE OF THE NBVN TO CHANGE ITS PROCEDURE FROM PRE-AUDIT TO POST-AUDIT WHEN REVIEWING THOSE PROFITS WHICH QUALIFY FOR REMITTANCE. THE POST-AUDIT STAGE IS ALSO WHERE THE CERTIFICATE DE NON-DEBT MUST BE PRESENTED, BUT ONLY AFTER THE PROFITS HAVE ALREADY BEEN REMITTED. SHOULD THE POST AUDIT UNCOVER ANY IRREGULARITIES, THE REMITTING FIRM COULD BE COMPELLED TO RETURN THE FOREIGN EXCHANGE TO THE NBVN. THE CHIEF FINANCIAL OFFICER OF IBM, WHICH HAS BEEN IN VIETNAM SINCE 1937 AND HAS ALREADY REMITTED 1973 PROFITS, STATED THAT A WORKING WEEK IS ALL THAT IS PRESENTLY REQUIRED FROM REMITTANCE APPLICATION TO THE NBVN TO DEPOSIT IN A FOREIGN ACCOUNT. THE MAXIMUM REMITTANCE PERMITTED REMAINS AT 70 PERCENT OF QUALIFIED PROFITS, IE. THOSE WHICH EXCLUDE EXTRAORDINARY INCOME FROM SALES

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OF CAPITAL EQUIPMENT, ETC.

2. A SURVEY OF AMERICAN BUSINESSMEN WHO EXPECT TO REMIT THIS YEAR REVEALED THAT THEIR ONLY CONCERN WAS THE DECREASING LEVEL OF GVN FOREIGN EXCHANGE WHICH AT THE END OF FEBRUARY WAS LESS THAN \$100 MILLION. THEY ALL SEEMED PLEASED WITH GVN EFFORTS TO FACILITATE REMITTANCES.

3. THE SITUATION REGARDING LOANS AND ROYALTIES REMAINS AS CITED IN REF. B PARA 6.

MARTIN

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## Message Attributes

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